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August 25, 2006

Mary L. Cottrell, Secretary
Department of Telecommunications & Energy
Commonwealth of Massachusetts
One South Station, Second Floor
Boston, MA 02110

Re: D.T.E. 06-33 -- Funding Enhanced 911 Services

Dear Ms. Cottrell:

Enclosed for filing in the above-referenced matter are Verizon Massachusetts' Initial Comments.

Thank you for your assistance in this matter.

Very truly yours,

A handwritten signature in dark ink, appearing to read "Alex Moore", with a long horizontal flourish extending to the right.

Alexander W. Moore

cc: Tina Chin, Esquire, Hearing Officer
Paula Foley, Assistant General Counsel
Michael Isenberg, Director
Berhane Adhanom, Analyst
Stella Finn, Analyst
Service List

Investigation by the Department of Telecommunications
and Energy on its own Motion to Develop a Long-Term
Plan for Funding Enhanced 911 Services

INITIAL COMMENTS OF VERIZON MASSACHUSETTS

SETB PROPOSAL

First, Verizon agrees with SETB's principle that E911 funds should be used only for E911 service. *See* Written Comments of SETB dated May 17, 2006. With this in mind, the Department should recommend that funds generated by the E911 surcharge should not be used to provide training that is supplemental to the operational training for E911 call-handling.

Additional or specialized training costs should be borne by the respective municipality or public safety organization requesting such training.

Additionally, Verizon urges the Department to recommend that any E911 surcharge applicable to Voice over Internet Protocol (“VoIP”) services be set to recover only the incremental costs of enabling VoIP access to the E911 system and not to subsidize the historical costs of building, maintaining and administering the existing wireline or wireless E911 access systems. In other words, users of VoIP services should be required only to recover the costs of enabling, administering and maintaining E911 access over VoIP technology, much like the current wireless E911 surcharge recovers the costs incurred in enabling, administering and maintaining wireless access to E911 service.

It would be inappropriate to burden VoIP services with cost recovery mandates that competing technologies such as wireless services are not required to support. As a policy matter, the Department should recommend that VoIP users and wireless users be afforded similar treatment for purposes of funding E911 services. VoIP is a new and emerging service, and any surcharge on VoIP or other IP-based technologies should be assessed at the lowest possible statewide rate and not be burdened with the traditional, historical cost of providing access to wireline E911 service.¹ Nor should VoIP service be burdened with the portion of the E911 surcharge intended to fund disability access programs, just as cost recovery for those programs is presently limited to wireline end-users and is not supported by the wireless surcharge fund.

A surcharge should only be assessed on “interconnected VoIP service,” defined by the FCC’s regulations as a service that:

- 1) Enables real-time, two-way voice communications;

¹ By recommending that 911 surcharges be applied to VoIP telephone numbers that are capable of reaching the PSAP, Verizon is not conceding that its VoIP services are generally subject to state regulation.

- 2) Requires a broadband connection from the user's location;
- 3) Requires Internet protocol-compatible customer premises equipment;
- 4) Permits users generally to receive calls that originate on the public switched telephone network and to terminate calls to the public switched telephone network.

47 CFR § 9.3. The E911 surcharge should be imposed on the VoIP end user and be based upon the user's primary place of use or registered location at the time of billing. E911 requirements and fees should be competitively neutral among interconnected VoIP service regardless of provider. Finally, the surcharge should be collected and remitted to SETB by the service provider, although a VoIP provider should remain free to contract with a third party to provide that service.

Verizon also agrees with SETB that E911 services and surcharges should be justified and not set in perpetuity, but be periodically reviewed and adjusted accordingly, based on the cost of the service. Verizon believes, however, that the Department, not SETB, is in the best position to review SETB's costs and adjust the surcharges as may be reasonable and appropriate. Not only would Department review provide an outside perspective on the need for changes to any surcharges, but the Department is also more likely to be aware of and appreciate the myriad other fees, taxes and surcharges assessed on telecommunications consumers and to set and/or adjust any E911 and disability access surcharges in the context of all costs born by those consumers. In any event, the agency charged with reviewing and adjusting the surcharges, if any, would first have to develop procedures and guidelines to ensure that any surcharge changes, up or down, are purely cost-based and reasonable. SETB's definition of "changing circumstances" would need to be clearly defined.

MCSA PROPOSAL

The proposal put forth by the Massachusetts Communications Supervisors Association is laudable in that it has set forth a goal for the E911 system and its associated programs to be of the highest quality possible for all components, from equipment to specialized, highly-trained personnel. While Verizon agrees with that goal, it disagrees with the MCSA's proposal to fund the entire E911 system, including local PSAP personnel, salary and additional training costs. Traditionally and by statute, these expenses have been born by the municipalities, and the emergence of additional telecommunications technologies that spurred the General Court to direct the Department to recommend a long-term funding mechanism for the E911 system affords no basis to expand the programs funded by the surcharge or the entities eligible to receive such funds. The programs the MCSA seeks to fund through the surcharge benefit all residents of Massachusetts. Funding for those programs should come from the general funds of either the state or the municipalities, and the General Court and the political process, not a state agency, should determine the appropriate level of funding.

Verizon disagrees with the MCSA's proposal that there be one approach to all technologies, as previously discussed in the comments on the SETB proposal above.

Respectfully submitted,

VERIZON MASSACHUSETTS,
MCIMETRO ACCESS TRANSMISSION
SERVICES LLC D/B/A VERIZON
ACCESS TRANSMISSION SERVICES,
AND MCI COMMUNICATIONS
SERVICES, INC. D/B/A VERIZON
BUSINESS SERVICES.

By their attorneys,

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Bruce P. Beausejour
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Dated: August 25, 2006